GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:8
ANSWERED ON:30.11.2015
Duty Credit Scrips under SFIS/SEIS
Mohan Shri P. C.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether all service providers are entitled to duty credit scrips under the Served From India Scheme (SFIS) or Service Exports From India Scheme (SEIS) and if so, the details thereof;

b) whether the Directorate General of Foreign Trade (DGFT) has issued duty credit scrips under SFIS/SEIS to airline industry;

c) if so, the details thereof and the amount of scrips issued along with their validity, airlinewise;

d) whether DGFT is likely to extend the time limit for unutilised scrips and if so, the details thereof; and

e) whether DGFT has permitted the utilisation of these scrips for payment of excise duty payable by these companies and if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) to e): A Statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 8 FOR ANSWER ON 30TH NOVEMBER, 2015 REGARDING " DUTY CREDIT SCRIPS UNDER SFIS/SEIS"

(a) :All service providers are not eligible for Served from India Scheme (SFIS) or under Service Exports from India Scheme (SEIS).
(i) SFIS : All Service Providers of services as listed in Appendix 10 of Foreign Trade Policy were eligible for SFISupto 31.12.2010. From 01.01.2011, Indian service providers of services listed in Appendix 41 of Foreign Trade Policy (2009-14) were eligible for SFIS. Only those service providers who had minimum earning in free foreign exchange of Rs.10 lakhs in a financial year were eligible for SFIS. In the case of Individual Service Providers minimum earning criteria in Free Foreign exchange was Rs. 5 lakhs.
(ii) SEIS :Under SEIS which was announced on 01.04.2015 under Foreign Trade Policy (2015-20), notified services under Appendix 3D, located in India, shall be rewarded, subject to conditions as may be notified. Only two modes of services (Mode 1 and Mode 2) are eligible, namely (i) supply of a 'service' from India to any other country (Mode 1) and (ii) supply of a 'service' from India to service consumer(s) of any other country in India (Mode 2).Such service provider should have minimum net free foreign exchange earnings of US$15,000 in preceding financial year to be eligible for Duty Credit Scrip. For Individual Service Providers and sole proprietorship, such minimum net free foreign exchange earnings criteria would be US$10,000 in preceding financial year.

(b) : Under SFIS, Directorate General of Foreign Trade (DGFT) has issued duty credit scrips. No scrips have been issued under SEIS.

(c) : The details of such scrip issued under Served from India Scheme (SFIS) and the amount is as under :
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S.No. Name of Airline Duty credit Scrip

Amount
(Rs. in crore)
1. Air India 1083
2. Jet Airways 693
3. Kingfisher 30
4. Go Airlines 4
5. Indigo 3
6. Spice Jet 23
Total 1836
Scrips issued upto 04.06.2012, were issued with validity of 24 months from the date of issue. From 05.06.2012, scrips were issued with validity of 18 months from the date of issue.

(d) No, Madam.

(e) SFIS Duty Credit Scrips are permitted to be utilised for payment of excise duty in terms of Department of Revenue (DoR) notification No. 34/2006-CE dated 14.06.2006.
SEIS Duty Credit Scrips can be used for payment of excise duties on domestic procurement of inputs on goods including capital goods as per DoR notification No. 21/2015-CE dated 08.04.2015.
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